

## Utah 1115 PCN Demonstration Waiver

### Amendment # 20

The State of Utah is revising its July 2016 request to amend its 1115 Primary Care Network Demonstration Waiver with the following additions listed below. The State requests an implementation date of January 1, 2018 for all related amendments. The amendments will be applied statewide to the populations indicated. In addition, the State requests an approval period of five years for the waiver, including these changes.

#### **1. Enrollment Limits**

**Demonstration Population:** Adults without Dependent Children

The State proposes to establish enrollment limits for this population. Within the overall cap established by the waiver, the State would open and close enrollment to stay within its appropriated budget. The State requests a 25,000 person-enrollment limit. The State would establish sub-group caps through its administrative rulemaking for the following groups:

- Individuals who are Chronically Homeless
- Individuals involved in the Justice System and in Need of Substance Use or Mental Health Treatment
- Individuals needing Substance Use or Mental Health Treatment

The State would like the ability to close enrollment for sub-groups, as needed, if the sub-group reaches its enrollment limit.

The enrollment limit will be based on the average annual enrollment. This is the current method used for the State's Primary Care Network (PCN) program. Individuals already enrolled at the time any enrollment is closed will remain enrolled. If enrollment closure occurs, at least 10-day prior notice will be given.

#### **2. Limitation on the Number of Eligible Months**

**Demonstration Population:** PCN and Adults without Dependent Children

The State proposes a 60-month lifetime limit on the number of months an adult can receive PCN or Medicaid for Adults without Dependent Children. This limit frames public healthcare coverage for adults as temporary assistance (similar to Temporary Assistance for Needy Families (TANF)), with the expectation that they do everything they can to help themselves before they lose coverage. In return, the State will provide healthcare coverage, training and job search to get these individuals employed so

they may have access to employer-sponsored coverage or can purchase coverage in the individual market place.

Any month that an individual receives PCN or Medicaid for Adults without Dependent Children beginning January 1, 2018 will count towards the lifetime limit of 60 months. American Indian/Alaska Natives will be exempt from the lifetime limit provision.

### **3. Work Requirement**

**Demonstration Population:** Initially, PCN; potential to add Adults without Dependent Children at a later date

The State proposes to require participation in training and/or job search unless the individual meets one of the federal Supplemental Nutrition Assistance Program (SNAP) exemptions listed below. If the individual is receiving SNAP benefits and complies with the participation requirements of SNAP they are considered participating for Medicaid. Failure to participate will result in ineligibility for PCN. Training and job search resources will also be available to Adults without Dependent Children and to the waiver's Current Eligibles population (the Parent/Caretaker/Relative group). However, these individuals will not become ineligible if they do not use these resources.

An individual on PCN who is not exempt will be referred for work requirement participation for the first of the month following PCN approval. This will be month one of the three-month participation period (this is the same as SNAP). Individuals already receiving PCN as of the effective date of the work requirement amendment will be referred at their next renewal.

The State will use the following SNAP federal work participation exemptions for PCN. Additional exemptions may be considered in the future:

1. Age 60 or older.
2. Physically or mentally unfit for employment. If mental or physical unfitness is claimed and the unfitness is not evident, verification may be required. Appropriate verification may consist of receipt of temporary or permanent disability benefits issued by governmental or private sources, or a statement from a physician or licensed or certified psychologist.
3. Parents or other members of households with the responsibility of a dependent child under age 6.
4. Responsible for the care of an incapacitated person. Exempt the caretaker even if the incapacitated person is not a member of the household.

5. Receiving Unemployment Insurance benefits or has applied and/or waiting for a decision and has registered for work at Department of Workforce Services. A person was denied UI and is appealing the negative decision is not exempt.

6. Participating regularly in a drug and alcohol treatment program. Alcoholics Anonymous does not qualify as a drug and treatment program for this policy.

7. A student enrolled at least half time in any school or training program. The student remains exempt until he drops out, is suspended or expelled, or does not intend to register for the next normal school term. The student must be eligible for food stamps under student rules in order to be meet this exemption. (Summer school is not considered a normal school term).

8. Participating in refugee employment services. These services are considered training programs. These include those services and activities that have a structured active case management and employment planning process.

9. Family Employment Program (FEP) recipients including FEP-TP. A person must be included in the FEP benefit to be exempt under this provision.

10. Issued a FEP diversion payment. The exemption is applicable only for the denial month of FEP unless another exemption is met.

11. Working at least 30 hours a week OR earning at least Federal Minimum Wage times 30 hours a week.

#### Participation

Eligible members must participate in online job search/training for three months in a 12-month period. The three months of participation must be consecutive. The individual must complete participation requirements every 12 months to continue to receive PCN.

- Online job search/training will be done through the Department of Workforce Services, using the same resources offered to Utah SNAP recipients.
- Participation activities will be the same as those used for the Utah SNAP Employment & Training program.

#### Closure Due to Non-Participation

Failure to comply with the PCN work requirement program will result in a loss of PCN eligibility.

The following will apply:

- Only those individuals who fail to participate will be removed from the PCN program.
- Individuals who lose eligibility may become eligible again by participating for three months OR by meeting an exemption.
- After participating for three months, the individual must reapply for benefits.
- As long as the individual applies for benefits in the month following the month they participate, open enrollment requirements will not apply.

The State is also requesting the authority to apply the work requirement to Adults without Dependent Children at a late date if it believes the implementation of this requirement with PCN has been successful. The application of the work requirement to Adults without Dependent Children would be accomplished through state administrative rule.

#### **4. Higher Co-pay for Non-Emergent use of the Emergency Department (ED)**

**Demonstration Population:** Current Eligibles and Adults without Dependent Children

The State proposes to encourage appropriate use of services by charging higher co-pays for non-emergent use of the ED. The provision would only apply in areas where there is sufficient access to clinics and urgent care facilities. The proposed co-pay amount is \$25 for each non-emergent use.

#### **5. No Retroactive Eligibility**

**Population:** Adults without Dependent Children

The State proposes to encourage individuals to apply for Medicaid before they have an emergency by eliminating Medicaid's standard 90-day retroactive coverage for the Adults without Dependent Children population. The benefit effective date will be the first day of the application month if found eligible any time during that month.

#### **6. No Presumptive Eligibility**

**Demonstration Population:** Current Eligibles and Adults without Dependent Children

The State proposes to not allow presumptive eligibility for these groups. This will allow the State to complete a full determination of eligibility before enrolling the individual. For these populations, coverage will no longer be based solely on a limited review of information by hospitals.

#### **7. Change Eligibility through State Administrative Rule**

**Demonstration Population:** Adults without Dependent Children

The State proposes to change eligibility criteria for the targeted eligibility groups (which were requested in its July 2016 amendment) through state administrative rule rather than waiver amendment. This provision could help the program stay on budget if costs exceed estimates. In addition, the provision could help the program fine tune its operation as the State learns more about the targeted population and the best way to structure its eligibility. The State would follow state rulemaking requirements in applying this provision.

Examples of the type of flexibility the State is seeking include, but are not limited to, the following:

- Ability to extend the work requirement to the Adults without Dependent Children at a later date
- Ability to change the definition of chronically homeless to increase or decrease the number of months of homelessness to meet the targeted population definition
- Ability to change the definition of chronically homeless to remove the requirement to have a disabling condition in order to meet the targeted population definition

- Ability to change the definition of successfully completed substance use treatment in jail or prison to include or exclude specific types of treatment or partially completed treatment before early release in order to meet the targeted population definition

#### **8. No Early and Periodic Screening, Diagnostic and Treatment (EPSDT) for Adults**

##### **Demonstration Population: Adults without Dependent Children**

The State proposes to waive EPSDT requirements for Adults without Dependent Children, aged 19 and 20 years old. This waiver already applies to other adult populations covered under the State's 1115 PCN waiver.

As part of the State's proposed revisions to its 1115 waiver amendment request submitted in 2016, the State withdraws its request to add EPSDT services for Current Eligibles aged 19 and 20 years old (i.e., the State proposes to keep its current EPSDT waiver for this population).

## 1115 PCN Demonstration Waiver Hypotheses

The State of Utah proposes the following hypotheses for proposed amendments to the 1115 PCN demonstration waiver.

### **1. Work Requirement**

Hypothesis: The work requirement for PCN members will encourage skills development through an evaluation of job search readiness and the completion of employment-related training workshops. In addition, by increasing a member's job skills and encouraging job search activities, the work requirement will promote gainful employment.

### **2. Higher Co-pay for Non-Emergent use of the Emergency Department (ED)**

Hypothesis: Charging a higher co-payment for non-emergent use of the ED will deter inappropriate ED utilization without harming members' health.



\*\* SFY2015 Cost/Member month was a proxy for "PCM" per member per month costs (PMPM). PMPM was inflated at 5% per year to arrive at the start date "PCM" or "Child Care on the Primary Care Network".  
 \*\*\* Minum's PMPM estimate for Adult Eligibles as of 5/5/16 plus one year of inflation at 5% to arrive at the start date  
 \*\*\*\* Minum's PMPM estimate for Adult Expansion as of 5/5/16 plus one year of inflation at 5% plus 1/2 year of inflation at 2.5% to arrive at the start date  
 = Neutrality Limit without waiver ceiling  
 = Actual Member Months  
 = Estimated Member Months  
 .05 = Inflation factor submitted in HFA Amendment



II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT BY QUARTER (Federal Funds)

A	B	C	D	E	F	G	H	I	J	K	L
EXPENDITURES (Federal Funds)											
	Current Eligibles	Demo Population I - PCN Adults w/ Children	Demo Population II Childless Adults	Demo Population III - HIFA Adults w/ Children	Demo Population III - HIFA Childless Adults	Current Eligibles II	Adult Expansion				
	(Sections 1925 and 1931 Adults and Medically Needy Adults)	(Section 1902(r)(2) Adults; also Known as Hypothetical State Plan Eligibles	(PCN Adults in Demo Population I = 1115)	(High-Risk Pregnant Women = 1115)	(Section 1902(r)(2) Adults; also Known as Hypothetical State Plan Eligibles	(HIFA Adults in Demo Population III = 1115 Expansion Group)	(Adults w/ Children 41-55% FPL)	(Childless Adults 0% FPL)			
BUDGET NEUTRALITY LIMIT (FF)											
State Fiscal Year (SFY)- Demonstration Year (DY)										TOTAL	VARIANCE
SFY15-DY13	\$235,389,242	\$121,818,957	\$3,680,770	\$9,038,162	\$17,994	\$340,914	\$10,048			\$134,908,845	\$100,482,397
QE 9/14	\$28,420,265	\$757,709	\$2,117,542	\$13,523	\$58,794	\$2,315				\$31,370,148	
QE 12/14	\$32,199,953	\$1,035,542	\$2,615,201	\$4,226	\$73,983	\$2,295				\$35,931,200	
QE 3/15	\$28,594,171	\$1,153,257	\$2,481,997	\$185	\$100,649	\$2,499				\$32,332,758	
QE 6/15	\$32,089,293	\$750,034	\$1,866,826	\$60	\$110,888	\$2,939				\$34,820,040	
SFY16-DY14	\$256,826,782	\$125,180,290	\$2,635,577	\$4,611,990	\$21	\$505,083	\$9,885			\$132,942,826	\$123,883,956
QE 9/15	\$30,564,749	\$637,704	\$1,630,248	\$21	\$115,928	\$2,811				\$32,951,461	
QE 12/15	\$29,217,735	\$472,101	\$517,878	\$0	\$124,637	\$1,957				\$30,334,308	
QE 3/16	\$32,996,646	\$755,823	\$1,467,513	\$0	\$134,488	\$2,221				\$35,356,691	
QE 6/16	\$32,401,160	\$769,949	\$996,351	\$0	\$130,010	\$2,896				\$34,300,366	
SFY17-DY15	\$263,019,268	\$119,614,250	\$3,020,825	\$4,141,464	\$0	\$528,713	\$11,242			\$127,316,494	\$135,702,774
QE 9/16	\$22,272,231	\$520,459	\$523,687	\$0	\$132,287	\$4,329				\$23,452,993	
QE 12/16	\$41,287,783	\$1,139,087	\$1,659,114	\$0	\$134,387	\$2,111				\$44,222,482	
QE 3/17	\$23,194,410	\$669,440	\$748,016	\$0	\$129,460	\$2,207				\$24,743,533	
QE 6/17	\$32,859,826	\$691,839	\$1,210,647	\$0	\$132,579	\$2,595				\$34,897,486	
SFY18-DY16	\$397,245,265	\$125,594,963	\$3,171,866	\$4,348,538	\$0	\$555,149	\$11,804	\$11,484,891	#####	\$250,273,343	\$146,971,922
7-1-17 Start Date for Current Eligibles II ----->											
QE 9/17	\$31,398,741	\$792,967	\$1,087,134	\$0	\$138,787	\$2,951	\$2,871,223			\$36,291,802	
QE 12/17	\$31,398,741	\$792,967	\$1,087,134	\$0	\$138,787	\$2,951	\$2,871,223			\$36,291,802	
1-1-18 Start Date for Adult Expansion ----->											
QE 3/18	\$31,398,741	\$792,967	\$1,087,134	\$0	\$138,787	\$2,951	\$2,871,223	\$52,553,067		\$88,844,869	
QE 6/18	\$31,398,741	\$792,967	\$1,087,134	\$0	\$138,787	\$2,951	\$2,871,223	\$52,553,067		\$88,844,869	
SFY19-DY17	\$531,544,861	\$131,874,711	\$3,330,460	\$4,565,954	\$0	\$582,906	\$12,394	\$12,059,135	#####	\$373,148,450	\$158,396,410
QE 9/18	\$32,968,678	\$832,615	\$1,141,491	\$0	\$145,727	\$3,099	\$3,014,784	\$55,180,720		\$93,287,113	
QE 12/18	\$32,968,678	\$832,615	\$1,141,491	\$0	\$145,727	\$3,099	\$3,014,784	\$55,180,720		\$93,287,113	
QE 3/19	\$32,968,678	\$832,615	\$1,141,491	\$0	\$145,727	\$3,099	\$3,014,784	\$55,180,720		\$93,287,113	
QE 6/19	\$32,968,678	\$832,615	\$1,141,491	\$0	\$145,727	\$3,099	\$3,014,784	\$55,180,720		\$93,287,113	
SFY20-DY18	\$558,122,104	\$138,468,446	\$3,496,982	\$4,794,263	\$0	\$612,051	\$13,014	\$12,682,092	#####	\$391,805,873	\$166,316,231
QE 9/19	\$34,617,112	\$874,246	\$1,198,566	\$0	\$153,013	\$3,253	\$3,165,523	\$57,939,756		\$97,951,468	
QE 12/19	\$34,617,112	\$874,246	\$1,198,566	\$0	\$153,013	\$3,253	\$3,165,523	\$57,939,756		\$97,951,468	
QE 3/20	\$34,617,112	\$874,246	\$1,198,566	\$0	\$153,013	\$3,253	\$3,165,523	\$57,939,756		\$97,951,468	
QE 6/20	\$34,617,112	\$874,246	\$1,198,566	\$0	\$153,013	\$3,253	\$3,165,523	\$57,939,756		\$97,951,468	
SFY21-DY19	\$586,028,209	\$145,391,869	\$3,671,832	\$5,033,976	\$0	\$642,654	\$13,664	\$13,295,197	#####	\$411,396,167	\$174,632,042
QE 9/20	\$36,347,967	\$917,958	\$1,258,494	\$0	\$160,664	\$3,416	\$3,323,799	\$60,836,744		\$102,849,042	
QE 12/20	\$36,347,967	\$917,958	\$1,258,494	\$0	\$160,664	\$3,416	\$3,323,799	\$60,836,744		\$102,849,042	
QE 3/21	\$36,347,967	\$917,958	\$1,258,494	\$0	\$160,664	\$3,416	\$3,323,799	\$60,836,744		\$102,849,042	
QE 6/21	\$36,347,967	\$917,958	\$1,258,494	\$0	\$160,664	\$3,416	\$3,323,799	\$60,836,744		\$102,849,042	
SFY22-DY20	\$615,329,619	\$152,661,462	\$3,855,423	\$5,285,675	\$0	\$674,787	\$14,348	\$13,959,957	#####	\$431,965,975	\$183,363,644
QE 9/21	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
QE 12/21	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
QE 3/22	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
QE 6/22	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
SFY23-DY21	\$323,048,050	\$76,330,731	\$1,927,712	\$2,642,837	\$0	\$337,393	\$7,174	\$6,979,978	#####	\$215,982,987	\$107,065,063
QE 9/22	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
QE 12/22	\$38,165,366	\$963,856	\$1,321,419	\$0	\$168,697	\$3,587	\$3,489,989	\$63,878,581		\$107,991,494	
12-31-22 End of Waiver Extension											
TOTAL BUDGET NEUTRALITY LIMIT SFY 2003-2023	\$5,341,650,484									\$3,644,543,888	\$1,697,106,596
											Cummulative savings in federal funds at the end of waiver extension 12/31/2022

Legend

- = Estimated Figures
- = Neutrality Limit without waiver ceiling
- = Actual Expenditures from MBES/CBES reports including prior period adjustments
- = Actual Quarterly Expenditures from MBES/CBES reports with no prior period adjustments



Attachment G  
Utah 1115 Budget Neutrality + Adult Expansion\_CMS\_6-20-17\_v2

III. SUMMARY BY DEMONSTRATION YEAR AND CUMULATIVELY (Federal Funds)

A	B	C	D	E	F	G	H	I
Demonstration Year (DY)	Budget Neutrality Limit	Waiver Costs on CMS-64	Annual Variance	Variance As % of Annual BN Limit	Cumulative Budget Neutrality Limit	Cumulative Waiver Costs on CMS-64	Cumulative Variance	Variance As % of Cumulative BN Limit
DY #1 (SFY 2003)	\$64,151,353	\$68,519,660	-\$4,368,307	-6.81%	\$64,151,353	\$68,519,660	-\$4,368,307	-6.81%
DY #2 (SFY 2004)	\$80,491,312	\$77,006,658	\$3,484,654	4.33%	\$144,642,666	\$145,526,318	-\$883,652	-0.61%
DY #3 (SFY 2005)	\$94,403,172	\$90,341,017	\$4,062,155	4.30%	\$239,045,838	\$235,867,335	\$3,178,503	1.33%
DY #4 (SFY 2006)	\$97,638,785	\$87,381,267	\$10,257,518	10.51%	\$336,684,622	\$323,248,602	\$13,436,020	3.99%
DY #5 (SFY 2007)	\$86,958,239	\$85,043,219	\$1,915,020	2.20%	\$423,642,861	\$408,291,821	\$15,351,040	3.62%
DY #6 (SFY 2008)	\$86,915,636	\$83,042,595	\$3,873,041	4.46%	\$510,558,497	\$491,334,416	\$19,224,081	3.77%
DY #7 (SFY 2009)	\$107,710,583	\$98,019,023	\$9,691,560	9.00%	\$618,269,080	\$589,353,439	\$28,915,641	4.68%
DY #8 (SFY 2010)	\$136,144,532	\$118,491,450	\$17,653,082	12.97%	\$754,413,612	\$707,844,889	\$46,568,723	6.17%
DY #9 (SFY 2011)	\$165,352,483	\$113,971,006	\$51,381,477	31.07%	\$919,766,095	\$821,815,895	\$97,950,200	10.65%
DY #10 (SFY 2012)	\$204,481,176	\$103,683,923	\$100,797,253	49.29%	\$1,124,247,271	\$925,499,818	\$198,747,453	17.68%
DY #11 (SFY 2013)	\$219,132,390	\$122,343,993	\$96,788,397	44.17%	\$1,343,379,661	\$1,047,843,811	\$295,535,850	22.00%
DY #12 (SFY 2014)	\$231,717,424	\$126,961,116	\$104,756,308	45.21%	\$1,575,097,084	\$1,174,804,927	\$400,292,157	25.41%
DY #13 (SFY 2015)	\$235,389,242	\$134,906,845	\$100,482,397	42.69%	\$1,810,486,326	\$1,309,711,772	\$500,774,554	27.66%
DY #14 (SFY 2016)	\$256,826,782	\$132,942,826	\$123,883,956	48.24%	\$2,067,313,109	\$1,442,654,598	\$624,658,511	30.22%
DY #15 (SFY 2017)	\$263,019,268	\$127,316,494	\$135,702,774	51.59%	\$2,330,332,377	\$1,569,971,092	\$760,361,284	32.63%
DY #16 (SFY 2018)	\$397,245,265	\$250,273,343	\$146,971,922	37.00%	\$2,727,577,642	\$1,820,244,436	\$907,333,206	33.27%
DY #17 (SFY 2019)	\$531,544,861	\$373,148,450	\$158,396,410	29.80%	\$3,259,122,502	\$2,193,392,886	\$1,065,729,616	32.70%
DY #18 (SFY 2020)	\$558,122,104	\$391,805,873	\$166,316,231	29.80%	\$3,817,244,606	\$2,585,198,759	\$1,232,045,847	32.28%
DY #19 (SFY 2021)	\$586,028,209	\$411,396,167	\$174,632,042	29.80%	\$4,403,272,814	\$2,996,594,926	\$1,406,677,889	31.95%
DY #20 (SFY 2022)	\$615,329,619	\$431,965,975	\$183,363,644	29.80%	\$5,018,602,434	\$3,428,560,900	\$1,590,041,533	
DY #21 (SFY 2023) Only includes 2 qtrs since waiver extension ends 12/31/22	\$323,048,050	\$215,982,987	\$107,065,063	33.14%	\$5,341,650,484	\$3,644,543,888	\$1,697,106,596	31.77%

Legend

	= Estimated Figures
	= Neutrality Limit without waiver ceiling QTD Amount
	= Actual Expenditures 1115 Waivers QTD Amount